

Questions for the Record
U.S. House Ways and Means Committee, Subcommittee on Trade
Hearing on Trade and Labor: Creating and Enforcing Rules to Benefit American Workers
March 26, 2019

From Representative Gwen Moore to Thea Lee

1. During the hearing, I asked you how Congress can improve on our trade agreements to address the challenges that accompany the liberalization of trade and economic integration to create a level playing field rather than a system that creates winners and losers. In your response, you explained that there would always be winners and losers and advocated for shared principles. I assume that those shared principles for trade agreements should result or do result in improved wage productivity, strong labor laws, and reduced unemployment. Can you elaborate on some of these principles so that we can endeavor to help address the losers/losses that you made clear will result from any trade agreement and ways Congress/USTR can consider and address those areas proactively during and post negotiations?

Instead of letting multinational corporations set the priorities of international economic policymaking through a captured process of negotiating trade agreements, we should simply follow four broad rules:

First, we should restore and protect American manufacturing by using policy levers to ensure that American manufacturers' ability to compete on global markets is not hamstrung by a chronically overvalued dollar, as it has been for decades. A competitive value of the dollar will allow persistent trade deficits in manufactured goods to shrink, allowing room for millions more domestic manufacturing jobs.

Second, we should ensure that the rules of international trade and investment do not privilege corporate interests and profits over those of workers and typical households.

Third, once overall trade is balanced between countries, we should give American producers and workers a fair shot in global competition by making sure other countries' trade policies do not lead to an unlevel playing field. For example, when other countries' exports to the U.S. are subsidized by industrial policy, we should be free to use trade protection or countervailing subsidies for our exports.

Finally, we should use multilateral trade rules to address big international challenges—like global tax havens and greenhouse gas emissions—that have been ignored by international economic policy.

We also need to restore workers' bargaining power in the domestic economy and close gender and racial wage gaps. Essential steps include reforming U.S. labor laws to ensure that workers can exercise their rights to bargain collectively without fear of retaliation; restoring the purchasing power of the national minimum wage and

ensuring broader coverage; making sustained and robust full employment a top macroeconomic policy concern; and investing – at scale – in infrastructure, clean energy, universal day care, quality public education, and affordable college.

As policymakers put in place rapid global integration agreements over the last several decades, they also under-invested in policies that could help smooth transitions and income volatility for working families. These social safety net and workforce development programs need to be adequately funded if the United States is to succeed in a rapidly evolving global economy with unpredictable technological disruptions.

Instead, the Trump administration proposed budget for FY2020 calls for level funding for key programs, including the Workforce Innovation and Opportunity Act (WIOA) Title I formula grants, Career and Technical Education (CTE) programs, and work-based learning programs. The budget also proposes large cuts to adult basic education programs and elimination of many WIOA national programs. Level funding for workforce programs is not sufficient to meet the challenges ahead, as many of these programs have been underfunded for decades.